

FERC chairman predicts slight policy changes after markets review

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SNL Energy (snl.com) reports today that FERC Chairman Joseph Kelliher said Feb. 22 that the commission will probably make "discrete" changes to federal policy after the upcoming review of the state of competitive wholesale markets. According to SNL Energy, FERC is undertaking a review of competitive wholesale power markets, starting Feb. 27, "first of all, because we have been listening" to some of the critics of commission policy. Kelliher spoke at the 2007 National Electricity Delivery Forum in Washington, D.C. "The fact that we're holding this review shows that we recognize competitive markets do have some serious challenges," SNL Energy reported Kelliher as saying.

While competition is national policy, there are three different structures for competitive wholesale markets in this country, including the Day 2 RTO, the Day 1 RTO, and the bilateral wholesale power markets, Kelliher said. "Our task is to use our regulatory authority to promote more effective competition in all three of those wholesale market structures, not to choose a certain wholesale market structure," he added.

Kelliher said he has no idea what the product of the review of competitive markets will be. However, he noted that "I start off thinking that in the end we will make some discrete changes to federal policy."

The commission will probably take some action following the review, Kelliher said, adding that otherwise it would mean that "we heard absolutely nothing from any panelist that we found persuasive in terms of changing the status quo."

According to SNL Energy, Kelliher also stressed the value of independent, fixed-term state commissions.